

Fiscal Note

Fiscal Services Division



HF 119 – Volunteer Firefighter and EMS Tax Credit (LSB 1592YH)
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Fiscal Note Version – New

Description

House File 119 creates a nonrefundable income tax credit for qualified volunteer firefighters and emergency medical services (EMS) personnel. The credit begins at \$25 for tax year 2012 and increases \$25 per year until reaching \$100 in tax year 2015 and later.

Assumptions

1. The total number of firefighter and EMS personnel is estimated to be 21,500 and that number will be steady over future fiscal years.
2. Of the 21,500, 88.0% will be able to claim all or a portion of the tax credit.
3. The Local Option Income Surtax for Schools equals approximately 3.0% of State individual income tax liability statewide. Adjustments to tax rates, tax exemptions, and nonrefundable tax credits impact the revenue generated by this local surtax.

Fiscal Impact

The tax credit for volunteer firefighters and EMS personnel will reduce net State General Fund revenue by the following amounts:

General Fund Revenue Reduction In Millions of Dollars		
Fiscal Year		Reduction
2012	\$	0.0
2013	\$	0.5
2014	\$	1.0
2015	\$	1.4
2016	\$	1.9

Future fiscal years will have a similar impact to FY 2016. There will also be a negative impact to the Local Option Income Surtax for Schools, reducing that revenue \$15,000 in FY 2013 and growing to \$60,000 per year by FY 2016.

Sources

Department of Revenue
Department of Public Safety
Department of Public Health Bureau of EMS

/s/ Holly M. Lyons

February 21, 2011

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to Code [Section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
